



mDR LIMITED
(Reg No. 200009059G)

EIGHT CONSECUTIVE QUARTERS OF PROFITS FOR mDR LIMITED

- Increased profits in Q3 2011
- Sustained profitability since Q4 2009
- Full repayment of bank borrowings

SINGAPORE, 10 November 2011 – Mainboard-listed mDR Limited (“mDR”), a leading distributor and retailer of mobile telecommunication devices and telecommunication services, today announced another quarter of positive profits.

In S\$'000	3Q-11	3Q-10	+/- %	YTD-11	YTD-10	+/- %
Revenue	83,030	76,593	8%	261,928	216,503	21%
Gross profit	8,249	7,943	4%	24,609	22,601	9%
Gross margin	10%	10%	-	9%	10%	-10%
Profit before tax	1,967	1,595	23%	5,681	3,149	80%
Profit attributable to equity holders	1,620	765	112%	4,232	1,600	165%
Earnings per share (cents)	0.03	0.02	50%	0.09	0.05	80%
As at				30.9.11	31.12.10	
Cash balances				18,103	14,249	
Bank loans				-	13,978	
Net tangible assets				28,512	12,359	
Net asset value per share (cents)				0.49	0.39	

Note: Figures are inclusive of discontinued operations.

Financial Highlights

mDR recorded an 8% growth in its 3Q2011 revenue from S\$76.6 million to S\$83.0 million; revenue growth registered a 21% increase from S\$216.5 million to S\$261.9 million for YTD2011. The increase in revenue is mainly due to the strong performance of its distribution and prepaid cards businesses.

mDR registered a 112% increase in 3Q2011 net profits from S\$0.8 million to S\$1.6 million, with YTD2011 net profits of S\$4.23 million representing a 165% increase from previous year.

mDR fully repaid all its bank loans on 30 September 2011, and its cash balances strengthened to S\$18.1 million, compared to S\$14.2 million as at 31 December 2010. Net tangible asset position of mDR also strengthened from \$12.4 million as at 31 December 2010 to S\$28.5 million as at 30 September 2011.

Return to Profitable Growth

With the appointment of a new management team comprising Chief Executive Officer Mr Ong Ghim Choon and Chief Financial Officer Ms Doris Wee in August 2009, mDR began its return to profitability. Instead of after-market services, mDR changed its business focus to that of a telecommunications distribution company. Cost savings from major re-structuring coupled with growth in the distribution and retail business units saw the turnaround of the company's financial performance.

In S\$'000	4Q-09	1Q-10	2Q-10	3Q-10	4Q-10	1Q-11	2Q-11	3Q-11
Revenue	68,455	70,216	69,712	76,593	99,414	88,656	90,242	83,030
Gross profit	8,920	7,321	7,496	7,943	8,723	8,029	8,332	8,249
Gross margin	13%	10%	11%	10%	9%	9%	9%	10%
Profit before tax	750	624	930	1,595	4,391	1,782	1,932	1,967
Profit attributable to equity holders	35	300	535	765	3,363	1,187	1,425	1,620
Earnings per share (cents)	-	0.01	0.02	0.02	0.11	0.03	0.03	0.03
As at	31.12.09	31.3.10	30.6.10	30.9.10	31.12.10	31.3.11	30.6.11	30.9.11
Cash balances	10,895	10,458	10,182	16,162	14,249	11,670	13,355	18,103
Bank loans	16,350	15,413	15,149	14,766	13,978	8,294	7,369	-
Net tangible assets	5,229	6,037	8,027	7,871	12,359	13,645	18,885	28,512
Net asset value per share (cents)	0.29	0.39	0.33	0.32	0.39	0.43	0.46	0.49

Note: Figures are inclusive of discontinued operations.

The return to profitability and stable operating performance was instrumental in the successful rights issue undertaken by mDR, which was completed in September 2011. Net proceeds raised from the rights issue was approximately S\$7.74 million, after deducting estimated expenses of about S\$0.15 million.

On 30 September 2011, S\$6.4 million of the net proceeds were utilized to fully repay all its bank loans. This marked a milestone for mDR, which had started out with banking liabilities of about S\$55 million in 2004. Through the years, mDR, with the support of its lenders, had gradually repaid and fulfilled all its financial obligations to the lenders.

Mr Philip Eng, Chairman of mDR commented “With the latest positive 3Q2011 financial performance, mDR has proven its ability to sustain its turnaround which started in 4Q2009. For the first time in the history of the company, it has reported eight consecutive quarters of profits, and it has also fully repaid all its bank borrowings. mDR has a strong cash position and net worth. Looking ahead, we are hopeful that the company will continue to record positive growth as it looks actively into exploring new business opportunities in new markets.”

Mr Ong Ghim Choon, Chief Executive Officer, said, “We will develop our retail brands, Handphonestop and 3Mobile, to drive differentiation and build customer loyalty. We also see the Next Generation National Broadband Network as an opportunity to leverage our distribution capabilities to drive business growth.”

About MDR

mDR Limited is an established distributor and retailer of telecommunication devices and services.

The Company currently operates the largest network of 62 retail stores providing M1 and SingTel services including mobile, fixed and wireless broadband. The retail brands being managed include Handphonestop, 3Mobile shops, Nokia concept stores and Gadget World.

The other key business is the distribution of mobile devices for leading global manufacturers like Samsung, Nokia, Sony Ericsson and LG.

The Company is situated at 53, Ubi Crescent, Singapore 408594 and currently employs about 350 employees.

For more information, please visit www.m-dr.com.

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